



U.S. Immigration
and Customs
Enforcement

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News Release

PRESIDENT AND OWNER OF FORMER MASSACHUSETTS COMPANY CONVICTED OF CONSPIRACY AND MAKING FALSE STATEMENTS

BOSTON, Mass. – The president and part owner of Stealth Components, Inc., of New Hampshire, formerly based in Newburyport, Mass., pleaded guilty yesterday in federal court in connection with a scheme to avoid paying over \$385,000 in U.S. customs import duties.

U.S. Attorney Michael J. Sullivan and Robin M. Avers, Special Agent-in-Charge for U.S. Immigration and Customs Enforcement (ICE) in New England, announced that Bernard Smith, 33, of 28 Winterberry Lane, Stratham, N.H., pleaded guilty before U.S. District Judge Douglas P. Woodlock to a seven-count indictment charging him with conspiracy and making false statements.

At yesterday's plea hearing, the prosecutor told the court that, had the case proceeded to trial, the evidence would have proven that Stealth Components, Inc. ("Stealth"), is in the business of purchasing electronic components that it imports from overseas countries for resale in the United States. At the time of the offenses, Stealth was located in Newburyport, Mass.

Yesterday Smith admitted that from November 1998 through May 2000, he and others participated in a scheme to defraud U.S. Customs in order to minimize the payment of anti-dumping duties that Stealth was required to make on imported Korean Dynamic Random Access Memory ("DRAM"). In 1993, the U.S. Department of Commerce determined that DRAM imports from certain Korean companies were being sold at less than fair market value. As a result, the U.S. Department of Commerce instructed Customs to collect anti-dumping duties on certain Korean DRAM. Thereafter companies that imported qualifying Korean DRAM were required to deposit anti-dumping duties with Customs for each shipment at the time of its entry into the United States.

The scheme involved the presentation of false and fraudulent invoices to Customs that undervalued the purchase price and falsely described the Korean DRAM that Stealth imported in order to lessen the cash payment amount for anti-dumping duties that Stealth was required to make to Customs.

Smith perpetrated this scheme by directing foreign suppliers to prepare fraudulent invoices and other false entry documents that would be presented to Customs at the time of entry for each shipment of DRAM that Stealth imported. Over the course of this scheme, Smith avoided the total payment of over \$385,000 to Customs in anti-dumping duties that Stealth was required to deposit on shipments of Korean DRAMS.

Judge Woodlock scheduled sentencing for September 8, 2005, at 3:30 p.m. Smith faces a maximum sentence of five years in prison on the conspiracy charge and two years in prison on each of the six false statement charges.

The case was investigated by agents of U.S. Immigration and Customs Enforcement (ICE). It is being prosecuted by Assistant U.S. Attorney Carmen M. Ortiz in Sullivan's Economic Crimes Unit.

ICE

U.S. Immigration and Customs Enforcement was established in March 2003 as the largest investigative arm of the Department of Homeland Security. ICE is comprised of five integrated divisions that form a 21st century law enforcement agency with broad responsibilities for a number of key homeland security priorities.